



INDIANA COMMISSION
HIGHER *for* EDUCATION

MEMORANDUM

To: Those Concerned
From: Stan Jones
Date: April 19, 2006
Subject: Commission Meeting

Enclosed are agenda materials for the Executive Committee meeting. The meeting schedule is as follows:

Wednesday, April 26, 2006

*** 11:00 - 11:15 a.m.** **Executive Committee Meeting** (*public meeting*), to be held via conference call.

Those wishing to attend may come to the Commission's office or call the office for conference call instructions.

If you have questions, suggestions, or need a reasonable accommodation, please contact this office.

* The Commission for Higher Education abides by the Indiana Open Door Law (Indiana Code 5-14-1.5). All business meetings are open to the public. (Meals will not be provided.)

A G E N D A

Commission for Higher Education

EXECUTIVE COMMITTEE MEETING

101 W. Ohio Street, Ste. 550
Indianapolis, Indiana 46204
317-464-4400

To Be Held via Conference Call

Wednesday, April 26, 2006

- I. CALL TO ORDER -- 11:00 a.m.**
- II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM**
- III. DECISION ITEM**
 - A. Capital Lease of Fort Wayne Regional Public Safety Training Academy,
Ivy Tech Community College of Indiana
- IV. ADJOURNMENT -- Approximately 11:15 a.m.**

Those wishing to attend may come to the Commission's office or call the office for conference calling instructions.

COMMISSION FOR HIGHER EDUCATION
Executive Committee Meeting
Wednesday, April 26, 2006

DECISION ITEM A: **Capital Lease of Fort Wayne Regional Public Safety Training Academy, Ivy Tech Community College of Indiana**

Staff Recommendation That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the *Capital Lease of Fort Wayne Regional Public Safety Training Academy, Ivy Tech Community College of Indiana*, as described in the project description and staff analysis dated April 14, 2006.

Background By statute, each project to lease, other than a project to lease-purchase, a building or facility must be reviewed by the Commission for Higher Education if the annual cost of the project exceeds one hundred fifty thousand dollars (\$150,000). Each project to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds two hundred fifty thousand dollars (\$250,000), must be reviewed by the Commission for Higher Education.

The Trustees of Ivy Tech Community College of Indiana request authorization to enter into a capital lease with the City of Fort Wayne of the Fort Wayne Regional Public Safety Training Academy to be constructed on the southwest side of Fort Wayne in the Southtown Mall Redevelopment District. The lease would be for a period of fifteen years with annual payments of \$1,000,000. The lease payments would be funded from state appropriations.

Supporting Document *Capital Lease of Fort Wayne Regional Public Safety Training Academy, Ivy Tech Community College of Indiana, April 14, 2006.*

CAPITAL LEASE OF FORT WAYNE REGIONAL PUBLIC SAFETY TRAINING ACADEMY, IVY TECH COMMUNITY COLLEGE OF INDIANA

April 14, 2006

Project Description and Staff Analysis

SUMMARY:

Ivy Tech Community College of Indiana (ITCCI) seeks authorization to enter into a capital lease with the City of Fort Wayne ("the City") of the Fort Wayne Public Safety Training Academy (the Center) to be constructed on the southwest side of Fort Wayne in the Southtown Mall Redevelopment District. The Indiana General Assembly in P.L. 214-2005 mandated that:

SECTION 88. [EFFECTIVE JULY 1, 2005] Not later than June 30, 2007, Ivy Tech State College shall enter into a lease, after review by the state budget committee and approval by the budget agency, with the owners of the Fort Wayne Regional Public Safety Center to be constructed after July 1, 2005, in the Southtown Community Revitalization Enhancement District to use the Fort Wayne Regional Public Safety Center to further its partnership with the Northeast Indiana Workforce Investment Board, the Regional Anthis Career Center, the Indiana National Guard, Indiana University-Purdue University at Fort Wayne, and other area institutions to allow the Fort Wayne Regional Public Safety Center to offer public safety related degree programs. The lease may not exceed a term that ends before July 1, 2022, or provide for a lease rental payment, excluding a reasonable allowance for maintenance and repair services, that exceeds one million dollars (\$1,000,000) in any state fiscal year covered by the lease.

The purpose of the Ft. Wayne Regional Public Safety Training Academy is to provide joint educational and training opportunities for police, fire, emergency medical, and public safety professionals and volunteers, as well as for potential entrants to those career fields. The facility will not only include the Ft. Wayne Fire and Police Training Academies, which are State certified, but will also house emergency medical training, homeland security and anti-terrorism training.

The facility will consist of more than 150,000 square feet of joint-use training and educational space. In addition to the City sponsored training, the Center has been planned with the involvement of Ivy Tech Community College of Indiana and of the Northeast Indiana Workforce Investment Board, the Regional Anthis Career Center, the Indiana National Guard, Indiana-Purdue University at Fort Wayne, and other educational institutions throughout the region. The building will also offer conference areas and public access space for region-wide training and meetings. It is expected that the facility will also provide space for state government's public safety and homeland security training needs when a Northeastern Indiana location is needed.

Construction of the Center will be funded through a variety of sources: state appropriations through ITCCI, Community Revitalization Enhancement District Tax Credit (CRED) revenues, Tax Increment Financing (TIF), miscellaneous non-property tax revenue from the City of Fort Wayne, and other revenues made available by the City as needed.

PROJECT DESCRIPTION:

The two-story facility will consist of more than 150,000 square feet of joint-use training and educational space. In addition to the City sponsored training, the Center is being planned to house classes offered by Ivy Tech Community College of Indiana and other area educational entities, potentially including Taylor University, Tri-State University, Indiana Tech and the University of St. Francis. The building will also offer conference areas and public access space for region-wide training and meetings. The Center will house a firearms training simulator, wet and dry fire training rooms, a large indoor shooting range, a health and fitness center, and an emergency vehicle driving simulator.

Academic programming in the facility is not yet settled. It is anticipated that in addition to basic police and firefighting training, academic programming in such areas as criminal justice, paramedic science, public safety, hazardous materials and other disciplines related to public safety and emergency management will be offered in the facility. Academic programming may eventually range from certifications to associate degrees to baccalaureate and graduate degrees.

The Center will be constructed in an area of Fort Wayne currently undergoing revitalization, known as the "Southtown Project." The Southtown Project comprises the Tillman-Anthony Community Revitalization Enhancement District [the "CRED district"] and some additional land located on the southwest side of the City. The redevelopment of the district was planned with two major national retailers and a number of smaller retail businesses. These commercial developments will provide the economic foundation for the project's future growth. In addition, Fort Wayne's Southtown Project includes the building of a Training Center with a local, regional and statewide training reach that will make this CRED district unique throughout the state.

The major retailers made final commitments to the project in the spring of 2005. The first big box retailer to make a commitment was Menards, with Wal-Mart following in April of 2005. Construction began in mid-2005 and Menards is now open. Wal-Mart is expected to open in August of 2006. In addition there will be associated smaller retail developments within the district, which will add to the economic viability of the project and provide additional financial strength. As of this date, all of the abandoned retail buildings on the site have been demolished. Construction of transportation and other necessary infrastructure is taking place to make the site completely ready for retail activity by 2006. The construction of the Center is planned to commence in June 2006 with occupancy expected in November 2007.

The 2005 Indiana General Assembly appropriated \$1,000,000 to ITCCI for "Fort Wayne Public Safety Training Center Lease." The agreement presumes that the General Assembly will continue to appropriate \$1,000,000 per year for the life of the lease. The City and the Ft. Wayne Redevelopment Commission have constructed a financing package that relies on a number of different revenue sources to support the bonds that will be sold for the Southtown Development Project. The City, through the Redevelopment Authority, has already issued bonds in the amount of \$10 million for the preparation of the site for development [dated May 17, 2005]. The City, through the Redevelopment Authority, intends to issue additional bonds to be used toward the construction of the Center. The repayment revenues for the total project, including site preparation, redevelopment district infrastructure, and the Center, will come from the following sources in the approximate amounts as listed below:

- a) CRED revenues of \$15 million, over the period 2007 through 2022
- b) TIF revenue of approximately \$8 million, over the period 2007 through 2022
- c) miscellaneous City revenue sources [non-property tax] in the amount of \$9.5 million
- d) lease payments from ITCCI of \$15 million, over the period 2007 through 2022

e) other revenues made available by the City as needed

The Indiana General Assembly's action in P.L. 214-2005 and the concurrent biennial \$1,000,000 appropriation to ITCCI in P.L. 246-2005 is deemed to be a contribution for capital purposes and does not include operating costs. The City will pledge the entire lease payment from ITCCI toward debt service payments. Those entities providing services within the Center, including ITCCI, will be charged usage fees on a pro rata basis, which will be used by the City for operational and maintenance costs. The City, as the owner and operator of the Center, will be responsible for operational costs to include security, utilities, custodial care, and a maintenance reserve.

STAFF ANALYSIS

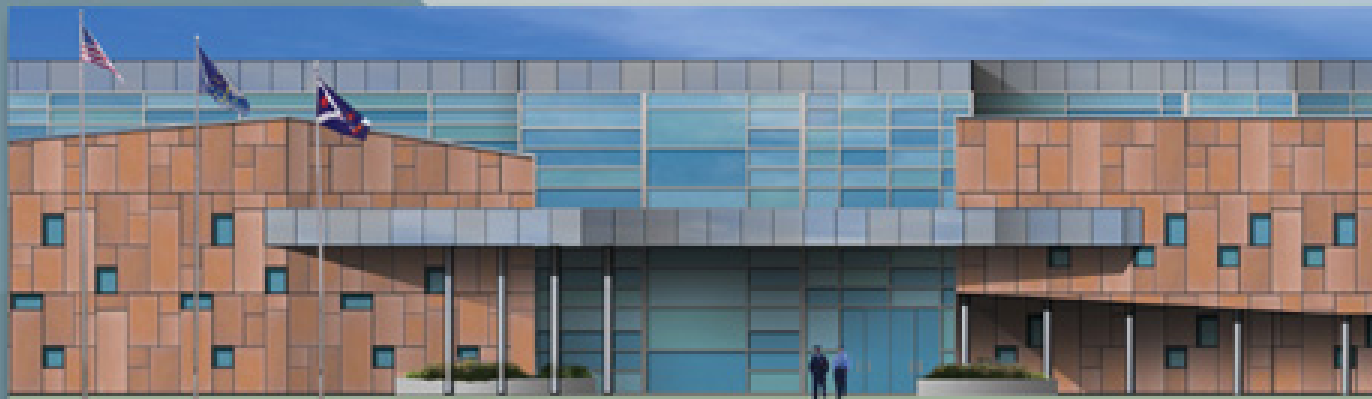
1. The agreement presumes that the General Assembly will appropriate \$1,000,000 per year to ITCCI throughout the life of the fifteen-year lease. If the General Assembly does not appropriate the funding, ITCCI will likely have to make payments out of other sources of funds.
2. ITCCI receives no equity interest in the property. The City, through its Redevelopment Authority, will own the Fort Wayne Public Safety Training Center, including the building, associated infrastructure and the land upon which the facility is located. Upon repayment of the bonds used for the financing of the Center, the City will retain ownership of the facility. However, it is the intention of the parties to the lease that the relationship between the City and ITCCI for the collaborative offering of public safety related education shall continue.
3. The City will undertake to make the District, which includes the Center site, ready for the Center construction and eventual operations.
4. The City will manage the design and construction of the Center with consultation from ITCCI.
5. The City, through its Redevelopment Authority, will issue bonds for the construction of the Center and will be responsible for the debt service for the facility.
6. The City will be responsible for management and operation of the Center upon completion of the construction. The City, while being responsible for the operation, maintenance, utilities and security costs of the Center, will charge appropriate fees to organizations using the facility, whether governments or training entities. These fees may cover some or all of the pro rata operating costs of the facility.
7. Upon completion and beneficial occupancy of the Center, ITCCI will enter into an operating lease with the City and shall commence lease payments to the City or its Redevelopment Authority. The \$1,000,000 state appropriation and the capital lease are separate from this future operating lease. The lease agreement between the City and ITCCI will provide the College with first priority options to offer classes related to the purposes of the Center and under the College's specific mission. Following full satisfaction of the bonds, the lease arrangement between ITCCI and the City will be renegotiated.
8. It is anticipated that ITCCI will initially offer three academic programs in the facility: criminal justice, public safety, and paramedic science. Because of limited space, ITCCI will be the sole provider of EMT training in the facility.

9. The instructional providers within the Center, whether the City, ITCCI, Anthis Career Center, or any other entity, are responsible for the programmatic costs associated with the instruction which they provide, which costs may be borne in whole, or in part, by those receiving the instruction through fees charged.
10. The City and ITCCI will also explore ways in which they may further collaborate in the offering of training programs that will enhance the goal of increasing public safety education, homeland security instruction and related training.

REGIONAL PUBLIC SAFETY ACADEMY



NORTH ELEVATION



FRONT ENTRY

REGIONAL PUBLIC SAFETY ACADEMY



REGIONAL PUBLIC SAFETY ACADEMY



FIRST FLOOR PLAN

SCHENKELSHULTZ
ODD ARCHITECTURE

REGIONAL PUBLIC SAFETY ACADEMY



SECOND FLOOR PLAN